

c/real
Hon. Linda B. Riegler
U.S. Bankruptcy Court
300 Las Vegas Blvd. South
Las Vegas, NV 89101

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U.S. BANKRUPTCY COURT
PATRICIA GRAY, CLERK

06-10725-
LBR

Dear Hon. Judge Linda Riegler: USA Capital may have based their offering deceiving the naïve and untrained Investors by using different tools/tricks. **I would like to present some FACTS: using concrete evidence about the Investor's Property Collaterals:**

- 1.- The Investors were told that no loan would be more than 75% of the actual value of the Property serving as collateral of the loan, thus in case of default and foreclosure, their Principal would be safely returned.
- 2.- USA Capital sent to every New Investor a Kit in which alluded to point 1 and how safe was to Invest with them. Furthermore the Kit included a book written by Mr. Hantges testifying to all of this. I have the Kit.
- 3.- Point 1 and 2 were ratified by the USA Capital Brokers/Sales force to every investor. I was even told that in the extremely rare case of default investors would be profiting, because the foreclosure would have been in a property of much higher value than the amount of the loan. We can ask to any Investor about it.
- 4.- However some specific samples that I didn't know about until after I bought into the project, present the value of the property conditional to what would happen if the property were to have some modifications: Specifically I would like to show you two samples which I am in: I don't know how many more samples of this could be brought up:

I) **"Corman-Toltec": Loan to Value: Approximately 51% of estimated per acre value on completion of mapping process** "(what if they never complete the mapping process)". **An appraisal has been engaged.** "I never received the appraisal, like most of the deals Investors never received the appraisal, just kept in the dark in so many ways".

II) **"Placer Vineyards": Loan to Value: Approximately 50% upon completion of the Specific Plan** based on assessment of current market values. An appraisal is in process. Placer Vineyards appraisal done by Seevers; the copies, which I got **months after** I had bought into the deal, the property is zoned Agricultural and he gives a hypothetical value, maybe the real value is much less than the amount of the loan, this will put USA Capital in a very profitable position by just defaulting and foreclosing on themselves. "The

money that the Investors sent was real and real time, not hypothetical”.

Comments from a concerned Investor: Although Real Estate and Appraisal are not my line of work, however it doesn't make any sense to have hypothetical or values of the collateral conditional to certain things happening. "(In this case I could value my humble house for 50 million or more, **provided** that I find gold, diamond and oil in my back yard. This sentence is very clear, however the situation that the investors were exposed was masked and adorned by **brainwashing them with dexterity**: such as—a repetition of the “17 years of impeccable reputation of USA Capital”, “covering up facts and figures”, “the investors told that the loan will always be much less than the value of the collateral”, “the initiation New Investors Kit”, “the verbiage of the Brokers”, “the provocation of the frenzy of the people trying to get a piece of safe deal to park their savings”, “the aloof attitude of the brokers”, etc. etc. all this cleverness doesn't give license to USA Capital of all the wrong doings and dishonesty. **The Investors are more interested in getting their life back to normal by getting their money back.**

Gladly and more than willing to cooperate. Sincerely,



John Handal
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Placer Vineyards.

First Trust Deed Investment

Borrower: USA Investments Partners, LLC or assignee

Loan Amount: \$31,500,000

Rate: 12.5% (net, annual) paid monthly

Loan to Value: Approximately 50% upon completion of the Specific Plan based on assessment of current market values. An appraisal is in process.

Term: 18 months

Collateral: First Trust Deed on approximately 338 acres of land in Placer County, California.

The Project: The project, Placer Vineyards, is located approximately twenty miles northeast of Sacramento along Interstate 80 in Placer County, California. The Placer Vineyards specific plan encompasses over five thousand acres, which envision over 14,000 dwelling units, 491 acres of commercial/business park as well as schools, parks, and open space. Processing of this Specific Plan is being completed by a consortium of landowners in the specific plan area including Lennar Homes, AKT Development, Wincrest Homes and TW Lewis Homes, among others.

The subject 338 acres are planned for approximately 1,125 lots with an average square footage of 7,500, the largest lots in the Placer Vineyards Specific Plan.

Borrower Equity: The Borrower will bring in \$6.5 million for a down payment at close of the loan.

Repayment Upon approval of the Specific Plan, the Borrower will

Strategy: sell the entire property to one or more merchant builders.

Guarantees: The loan will be guaranteed by the principals of USA Investment Partners, Tom Hantges, and Joe Milanowski, with a combined net worth of approximately \$97 million as of 6-30-04.

Minimum: A minimum investment of \$50,000 is required to participate.

Cornman Toltec 160.

First Trust Deed Investment

Borrower: Cornman Toltec 160, LLC

The borrower is a joint venture between USA Investment Partners, and Unlimited Holdings.

Loan Amount: \$6,550,000

Rate: 12.0% (net) interest paid monthly

Term: 12 months

Loan to Value: Approximately 51% of estimated per acre value on completion of mapping process. An appraisal has been engaged.

Collateral: The loan is for the acquisition of 160 acres of residential land adjacent to Robson Ranch in Casa Grande, Arizona located at the North East Corner of Corman Road and Toltec Butter Road

The Project: Casa Grande is less than 1 hour from metropolitan Phoenix via Interstate 10, and is the focus of substantial growth in housing and related amenities. Robson Ranch currently has houses under construction, and is one of the largest master planned communities in the area. The subject property is zoned for up to 560 residential units. Once the property is acquired it will be mapped and sold to homebuilders.

Guarantees: The loan will be guaranteed by the principals of the borrower – Unlimited Holdings, Tom Hantges, and Joe Milanowski, with an indicated net worth of approximately \$100 million as of 12-31-05.

Minimum: A minimum investment of \$50,000 is required to participate.